

**Agenda Of The Adjourned Meeting – Oversight Board to the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Wednesday – August 5, 2015 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It Is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on June 17, 2015.
2. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving a Grant Agreement and Escrow Instructions By and Between the Successor Agency and Community HousingWorks, Providing a Grant of \$14,909,000 to Assist Development of Phase II of an Infill Affordable Housing Project, Public Facilities, Open Spaces and Community Services on 12.75 Acres Formerly Known as the National City Public Works Center and Illes Family Trust Site. (Housing & Grants, Asset Management) (Reso 2015-09)

REPORTS

1. Update on Redevelopment Issues

ADJOURNMENT

Adjourn to the next Regular meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on August 19, 2015 at 3:00 p.m. in Council Chambers, Civic Center.

**MINUTES OF THE SPECIAL MEETING OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF NATIONAL CITY**

JUNE 17, 2015

This Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 3:06 pm by Vice Chair Paul Desrochers.

ROLL CALL

Board Members Present: Fellows, Desrochers, Perri, Hentschke

Board Members Absent: Carson, Morrison, McCarthy

OTHER STAFF PRESENT: Brad Raulston, Executive Director; Claudia Silva, City Attorney; Janel Pehau, Accountant

PLEDGE OF ALLEGIANCE by Vice Chair Desrochers

PRESENTATIONS: None

OVERSIGHT BOARD ACTIONS

1. **SUBJECT:** Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City Meeting held on May 20, 2015.

RECOMMENDATION: Approve minutes as presented.

ACTION: Motion by Perri, seconded by Hentschke to approve the minutes of the Regular Meeting of the Oversight Board meeting held May 20, 2015. Motion carried by the following vote:

Ayes: Perri, Fellows, Hentschke, Desrochers

Absent: Carson, Morrison, McCarthy

2. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving an Administrative Budget for the ROPS 15-16A period (July 1 2015 through December 31, 2015. (Successor Agency) (Reso 2015-07)

RECOMMENDATION: Approve the Resolution (**Resolution 2015-07**).

ACTION: Motion by Hentschke, seconded by Fellows to approve the Resolution.

Motion carried by the following vote:

Ayes: Perri, Fellows, Hentschke, Desrochers

Absent: Carson, Morrison, McCarthy

3. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving authorizing the chairman to execute a settlement agreement between the Successor Agency and Rosenow Spevacek Group, Inc., to resolve pending arbitration. (Successor Agency) (Reso 2015-08)

RECOMMENDATION: Approve the Resolution (**Resolution 2015-08**).

ACTION: Motion by Hentschke, seconded by Perri to approve the Resolution. Motion carried by the following vote:

Ayes: Perri, Fellows, Hentschke, Desrochers

Absent: Carson, Morrison, McCarthy

REPORTS

4. Update on Redevelopment Issues
Brad Raulston gave an update on the following:
Successor Agency currently waiting on a response from DOF regarding the submitted LRPMP.
5. July Oversight Board
Due to the City and Successor Agency July meetings being adjourned to August, it is recommended that the Oversight Board adjourn to August.

ADJOURNMENT

RECOMMENDATION: Adjourn Oversight Board meeting to August 5, 2015.

ACTION: Motioned by Perri, seconded by Hentschke to adjourn the meeting to August 5, 2015.

Motion carried by the following vote:

Ayes: Perri, Fellows, Hentschke, Desrochers

Absent: Carson, Morrison, McCarthy

The regular meeting was adjourned to the next Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on August 5, 2015 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:16 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of August 5, 2015.

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: August 5, 2015

AGENDA ITEM NO. 2

ITEM TITLE: Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving a Grant Agreement and Escrow Instructions By and Between the Successor Agency and Community HousingWorks, Providing a Grant of \$14,909,000 to Assist Development of Phase II of an Infill Affordable Housing Project, Public Facilities, Open Spaces and Community Services on 12.75 Acres Formerly Known as the National City Public Works Center and Illes Family Trust Site.

PREPARED BY: Carlos Aguirre, CommDev Manager

DEPARTMENT: Housing/Grants/Asset
Mgmt

PHONE: Ext 4391

EXPLANATION:

APPROVED BY: 

In March, 2011 the Community Development Commission issued tax exempt bonds in part to assist with development of a 201-unit infill affordable transit oriented development on the sites of the National City Public Works Center and Illes Family Trust. Since Paradise Creek II Housing Partners LP, developer for the project is a for-profit entity, the tax exempt bond funds cannot be provided directly to the project. Community HousingWorks, a development partner for the project and a 501(c)3 non-profit, is eligible to receive the funds as a grant and loan them into the project. Loan repayment would be used, as shown on Page 5 of the Agreement, to fund programs approved by the Executive Director annually including resident and community-based clean-up efforts for the project, youth environmental education programming, jobs-corps type training, to create a matching program for resident savings accounts, and to create a first-time home buyer program for project residents.

Upon approval, this Resolution shall be transmitted to the California Department of Finance, State Auditor/Controller and County of San Diego by electronic means, and shall take effect at the time provided in California Health and Safety Code section 34179, subdivision (h).

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

N/A

BOARD / COMMISSION RECOMMENDATION:

Approve the Resolution

ATTACHMENTS:

1. Successor Agency Staff report
2. Proposed Grant Agreement/Escrow Instructions
3. Proposed OB Resolution 2015-09

CITY OF NATIONAL CITY, CALIFORNIA
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT

Attachment "4"

MEETING DATE: August 4, 2015

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving a Grant Agreement and Escrow Instructions by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Community Housing Works providing a grant of \$14,909,000 to Community HousingWorks to assist development of Phase II of an infill affordable housing project, public facilities, open spaces and community services on 12.75 acres formerly known as the National City Public Works Center (2200 Hoover Avenue) and Illes Family Trust site (2020 Hoover Avenue).

PREPARED BY: Carlos Aguirre, Community Dev. Prog. Mgr.

DEPARTMENT: Housing, Grants, and Asset Management

PHONE: 619-336-4391

APPROVED BY: 

EXPLANATION:

In March, 2011 the Community Development Commission issued tax exempt bonds in part to assist with development of a 201-unit infill affordable transit oriented development on the sites of the National City Public Works Center and Illes Family Trust. Since Paradise Creek II Housing Partners LP, developer for the project is a for-profit entity, the tax exempt bond funds cannot be provided directly to the project. Community HousingWorks, a development partner for the project and a 501(c)3 non-profit, is eligible to receive the funds as a grant and loan them into the project. Loan repayment would be used, as shown on Page 5 of the Agreement, to fund programs approved by the Executive Director annually including resident and community-based clean-up efforts for the project, youth environmental education programming, jobs-corps type training, to create a matching program for resident savings accounts, and to create a first-time home buyer program for project residents;

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO.

715-409-000-650-9060 WI-TOD Phase II \$14,909,000.00

This Agreement provides a grant of \$14,909,000 from 2011 Tax Allocation Bond proceeds. The funds would be directly placed in an escrow account for the project, rather than being deposited in the recipient's general business accounts.

ENVIRONMENTAL REVIEW: The certified Environmental Impact Report for the Westside Specific Plan analyzed a Transit Oriented Development for this site.

ORDINANCE: INTRODUCTION: ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION: Adopt the resolution.

N/A

BOARD / COMMISSION RECOMMENDATION:

Adopt the Resolution

ATTACHMENTS:

1. Grant Agreement and Escrow Instructions

RESOLUTION NO. 2015 – 69

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT
AGENCY APPROVING A GRANT AGREEMENT AND ESCROW INSTRUCTIONS BY
AND BETWEEN THE SUCCESSOR AGENCY AND COMMUNITY HOUSINGWORKS,
PROVIDING A GRANT OF \$14,909,000 TO ASSIST DEVELOPMENT OF PHASE II
OF AN INFILL AFFORDABLE HOUSING PROJECT, PUBLIC FACILITIES, OPEN
SPACES AND COMMUNITY SERVICES ON 12.75 ACRES FORMERLY KNOWN AS
THE NATIONAL CITY PUBLIC WORKS CENTER AND ILLES FAMILY TRUST SITE

WHEREAS, Community HousingWorks ("CHW") is a California nonprofit public benefit corporation whose purposes include development and operation of such affordable housing in, among other areas, the County of San Diego; and

WHEREAS, the now dissolved Community Development Commission of the City of National City ("CDC") and Paradise Creek Housing Partners, L.P., a California limited partnership (the "Phase I Developer"), entered into that certain "Disposition and Development Agreement," dated as of June 21, 2011 (the "DDA"), maintained as a public record by the City Clerk ("Clerk") of the City of National City ("City"); and

WHEREAS, the Redevelopment Agency of the City of National City ("Agency") was established by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City formed the CDC and the Housing Authority of the City of National City ("Housing Authority") by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the CDC was established to enable both the Agency and the Housing Authority to operate under a single board and single entity, responsible for the administration of redevelopment activities within the City of National City; and

WHEREAS, on February 1, 2012, the State of California dissolved all California redevelopment agencies, and established successor agencies to the former redevelopment agencies vested with all authority, rights, powers, duties and obligations of the dissolved redevelopment agencies pursuant to California Health and Safety Code Section 34173, said obligations including the payment, and performance and enforcement of enforceable obligations of the dissolved redevelopment agencies; and

WHEREAS, the City elected to serve as the successor agency to the CDC upon the dissolution of the Agency, pursuant to Resolution No. 2012-15 adopted on January 10, 2012, and in that capacity exists and functions as a distinct and separate legal entity named "Successor Agency to the Community Development Commission as the National City Redevelopment Agency" ("Successor Agency"); and

WHEREAS, pursuant to the DDA and as more particularly provided therein, the Phase I Developer had the duty to construct, in two (2) Phases, an infill affordable housing project ("Project") on the 12.75 acres known as the former National City Public Works Center and Illes Family Trust site ("Site"); and

WHEREAS, the Project shall include, without limitation, a total of two hundred one (201) affordable rental housing units, certain community facilities for the use of the residents (a) improvement of the Paradise Creek Parcel, and (b) improvement and expansion, for the benefit of the entire community, of Paradise Creek Educational Park; and

WHEREAS, the obligations of Phase I Developer with respect to the development of Phase II of the Project have been assigned to Paradise Creek II Housing Partners, L.P., a California limited partnership ("Developer"), and

WHEREAS, Successor Agency holds, within its Capital Improvements Fund, the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000.00) to be used to finance development of affordable housing projects such as the Project (the "Funds"); and

WHEREAS, the Funds are proceeds of the issuance of those certain "\$39,660,000 Community Development Commission of the City of National City (San Diego County, California) (National City Redevelopment Project) 2011 Tax Allocation Bonds" ("Bonds"); and

WHEREAS, in accord with its statutory function and operation, the Successor Agency desires also to foster the development of private nonprofit, community-based, service organizations with the capacity to develop and/or finance affordable housing projects in National City such as the Project; and

WHEREAS, the Successor Agency, on the terms and conditions set forth in that certain "Grant Agreement and Escrow Instructions" approved by the Successor Agency on August 4, 2015 and maintained by the Clerk as a public record ("Grant Agreement"), granted the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000.00) to CHW for the dual purpose of permitting CHW to provide part of the financing for Phase II of the Project and building CHW's capacity to participate in the development of future affordable housing projects in the community; and

WHEREAS, pursuant to the Grant Agreement, CHW will loan all Funds to the Developer ("CHW Loan"), and be obligated to use all money tendered by Developer in repayment of the CHW Loan ("Program Income") to fund social and educational programming and activities that will benefit the Project, its residents, and the residents of the community in which the Project is located ("Programming and Activities"); and

WHEREAS, pursuant to the Grant Agreement, all Programming and Activities funded by CHW from Program Income shall be approved annually by the Executive Director, said Programming and Activities to include without limitation:

1. Resident and community-based clean-up efforts within the Project;
2. Youth environmental education programming;
3. Jobs-corps type training;
4. To create a matching fund for Project residents saving for home ownership; and
5. To create a first time homebuyer program for Project residents.

WHEREAS, the Grant Agreement must also be approved by the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Oversight Board") prior to being effective; and

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency as follows:

Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution, including the terms defined therein.

Section 2. The Successor Agency hereby approves the Grant Amendment, a true and correct copy of which is maintained by the City Clerk as a public record, whereby the Successor Agency and CHW agreed upon the terms and conditions under which the Successor Agency would (i) provide CHW with Funds derived from the issuance of Bonds, to wit, a grant of \$14,909,000.00, assisting in the development of the Project at the Site by permitting CHW to provide part of the financing for Phase II of the Project, and also (ii) require CHW to make the CHW Loan to Developer, and use Program Income to fund Programming and Activities.

Section 3. The Chairman of the Successor Agency, or his designee, is hereby authorized and directed to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.

Section 4. The Successor Agency finds that (i) the certified Environmental Impact Report for the Westside Specific Plan ("EIR") analyzed a Transit Oriented Development for the Site, and that the Project's development will comply with the California Environmental Quality Act ("CEQA") and the guidelines adopted in relation thereto ("Guidelines"), and (ii) insofar as this Resolution and the approved Grant Agreement relate to the CHW Loan and the use of Program Income to fund Programming and Activities, this Resolution does not represent a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

PASSED and ADOPTED this 4th day of August, 2015.

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Secretary

APPROVED AS TO FORM:

Claudia G. Silva
City Attorney

GRANT AGREEMENT AND ESCROW INSTRUCTIONS
[Transit-Oriented Infill Affordable Housing and Paradise Creek Enhancement Project]

THIS GRANT AGREEMENT AND ESCROW INSTRUCTIONS, dated as of _____, 2015 for identification purposes only (the "Grant Agreement"), is made and entered into by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency"), and COMMUNITY HOUSINGWORKS, a California nonprofit public benefit corporation ("CHW"), with reference to the following:

RECITALS

A. WHEREAS, CHW is a California nonprofit public benefit corporation whose purposes include development and operation of such affordable housing in, among other areas, the County of San Diego;

B. WHEREAS, the Community Development Commission of the City of National City ("CDC") and Paradise Creek Housing Partners, L.P., a California limited partnership (the "Phase I Developer"), entered into that certain "Disposition and Development Agreement," dated as of June 21, 2011 (the "DDA");

C. WHEREAS, the Redevelopment Agency of the City of National City ("Agency") was established by Ordinance No. 1164, dated April 11, 1967. The City formed the CDC and the Housing Authority of the City of National City ("Housing Authority") by Ordinance No. 1484, dated October 14, 1975. The CDC was established to enable both the Agency and the Housing Authority to operate under a single board and single entity. The CDC was responsible for the administration of redevelopment activities within the City of National City;

D. WHEREAS, On February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies were tasked with, among other things, paying, and performing and enforcing the enforceable obligations of the former redevelopment agencies. The City elected to serve as the successor agency to the CDC upon the dissolution of the Redevelopment Agency, pursuant to Resolution No. 2012-15 on January 10, 2012. The Successor Agency is a distinct and separate legal entity from the City, and is named "Successor Agency to the Community Development Commission as the National City Redevelopment Agency" ("Successor Agency");

E. WHEREAS, pursuant to the DDA and as more particularly provided therein, Phase I Developer will construct, in two (2) Phases, the Project on the Site, including, without limitation, a total of two hundred one (201) affordable rental housing units, certain community facilities for the use of the residents of both Phase I and Phase II, and certain offsite improvements including, without limitation, (a) improvement of the Paradise Creek Parcel, and (b) improvement and expansion, for the benefit of the entire community, of Paradise Creek Educational Park;

F. WHEREAS, the obligations of Phase I Developer with respect to the development of Phase II have been assigned to Paradise Creek II Housing Partners, L.P., a California limited partnership ("Developer"), pursuant to that certain [Assignment and Assumption Agreement by and between Phase I Developer and Developer dated as of June __, 2015];

G. WHEREAS, Successor Agency holds, within Capital Improvements Fund, the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000) to be used to finance development of affordable housing projects such as the Project (the "Funds");

H. WHEREAS, the Funds are proceeds of that certain "\$39,660,000 Community Development Commission of the City of National City (San Diego County, California) (National City Redevelopment Project) 2011 Tax Allocation Bonds;"

I. WHEREAS, Successor Agency desires also to foster the development of private nonprofit, community-based, service organizations with the capacity to develop and/or finance affordable housing projects in National City such as the Project; and

J. WHEREAS, accordingly, Successor Agency, on the terms and conditions set forth in this Grant Agreement, intends to grant the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000) to CHW for the dual purpose of permitting CHW to provide part of the financing for Phase II of the Project and to build CHW's capacity to participate in the development of future affordable housing projects in the community.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, Successor Agency and CHW agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. Capitalized words and terms used in this Grant Agreement and not defined in this Grant Agreement (including, without limitation, in the Recitals above) shall have the meanings ascribed thereto in the DDA. Other capitalized words and terms used in this Grant Agreement shall have the meanings ascribed thereto where first used or as set forth in this Section [1.1]. Capitalized terms used in an exhibit attached hereto and not defined therein shall also have the meanings set forth in this Section [1.1].

"CHW Loan Note" means the promissory note to be made by Developer to evidence the CHW Loan.

"DDA" shall mean that certain Disposition and Development Agreement, dated as of June 21, 2011, by and between Successor Agency and Developer, as such document may be amended and implemented by the parties thereto and as assigned, with respect to Phase II, by Phase I Developer to Developer.

"Grant for Phase II" has the meaning set forth in Section 5.1 of this Grant Agreement.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Grant Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 Accounting Principles. Any accounting term used and not specifically defined in this Grant Agreement shall be construed in conformity with, and all financial data required to be submitted under this Grant Agreement shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to Successor Agency.

1.4 References and Other Terms. References herein to Articles, Sections and Exhibits shall be construed as references to this Grant Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The terms "including" and "include" mean "including (include) without limitation".

1.5 Exhibits Incorporated. All attachments to this Grant Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

2. PARTIES

2.1 Successor Agency. Successor Agency is the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and any successor to its rights, powers and responsibilities. The principal offices of Successor Agency are located at 1243 National City Boulevard, National City, California 91950.

2.2 CHW. CHW is Community HousingWorks, a California nonprofit, public benefit corporation. The principal offices of CHW are located at 4305 University Avenue, Suite 550, San Diego, California, 92105.

3. INTENTIONALLY OMITTED

4. SUCCESSOR AGENCY RIGHT TO TERMINATE

If the DDA terminates prior to the Close of Escrow for Phase II, then Successor Agency, in addition to any and all other rights it may have to terminate this Grant Agreement, shall have the right to terminate this Grant Agreement by notice to CHW.

5. GRANT

5.1 Amount and Purpose. Subject to the terms and conditions of this Grant Agreement, Successor Agency agrees to make a grant to CHW for Phase II (the "Grant for Phase II") in the amount of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000) to be used for the sole purpose of CHW making the CHW Loan for Phase II to Developer.

5.2 Conditions to Initial Disbursement of Grant for Phase II. Successor Agency's obligation to make and disburse Six Million Four Hundred Thirty Five Thousand Dollars (\$6,435,000) the Grant for Phase II (the "Initial Disbursement") shall be subject to satisfaction of the following conditions precedent:

(a) Loan Agreement. CHW, as lender, and Developer, as borrower, enter into a loan agreement, approved by the Executive Director (including, without limitation, all underlying loan documents), pursuant to which CHW uses the Grant for Phase II proceeds for the purpose of making the CHW Loan to Developer on terms and conditions consistent with the DDA (the "CHW Loan Agreement"). At the time of the Initial Disbursement, until the Close of Escrow for Phase II, the CHW Loan shall be secured by the Work Product (as defined in CHW Loan Agreement). Among other things, the CHW Loan Agreement shall provide that neither it, nor any of its underlying documents (including, without limitation, the promissory note evidencing and/or the deed of trust that will, following the Close of Escrow for Phase II, secure

the CHW Loan) may be amended, modified or rescinded without the prior written approval of the Executive Director, which approval shall not be unreasonably withheld, and the Successor Agency shall be named a third-party beneficiary of the same.

(b) No Default. No default by CHW under this Grant Agreement shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute such a default by CHW and, if requested by the Executive Director, Successor Agency shall have received a certificate to that effect signed by CHW.

5.3 Conditions to Final Disbursement of Grant for Phase II. The remaining Eight Million Four Hundred Seventy Four Thousand Dollars (\$8,474,000) of the Grant for Phase II (the "Final Disbursement") shall be disbursed substantially concurrently with the execution and delivery of this Grant Agreement, to an escrow account held by Old Republic Title Company ("Escrow Agent") pursuant to escrow instructions which are mutually acceptable to the Successor Agency and CHW. The Escrow Agent shall disburse upon satisfaction of the following conditions precedent:

(a) Close of Escrow for Phase II. Escrow for Phase II must close concurrently.

(b) Loan Agreement and Deed of Trust. The CHW Loan Agreement shall be in full force and effect and no default shall exist thereunder. CHW and Developer shall cause to be recorded a second priority deed of trust securing Developer's obligation to repay CHW Loan in the Official Records.

(c) Disbursement Agreement. CHW, the Phase II Construction Lender and Successor Agency have entered into an agreement for disbursement of the Construction Amount of the Grant for Phase II substantially similar to the Construction Lender/Successor Agency Disbursement Agreement for Phase II and such agreement has been approved by Developer and the Tax Credit Partner for Phase II.

(d) Insurance. Successor Agency has received satisfactory evidence that the insurance required pursuant to Article [9] of the Ground Lease for Phase II is in full force and effect.

(e) Representations and Warranties. The representations of CHW contained in this Grant Agreement shall be correct in all material respects as of the Close of Escrow for Phase II as though made on and as of that date and, if requested by the Executive Director, Successor Agency shall have received a certificate to that effect signed by CHW.

(f) No Default. No default by CHW under this Grant Agreement shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute such a default by CHW and, if requested by the Executive Director, Successor Agency shall have received a certificate to that effect signed by CHW.

5.4 Disbursement of Grant for Phase II. The Initial Disbursement of the Grant for Phase II shall, subject to the terms and conditions of this Grant Agreement, be delivered directly to CHW and shall be disbursed therefrom on or about the date hereof to pay predevelopment expenses in accordance with the Final Project Budget for Phase II. The Final Disbursement of the Grant for Phase II shall, subject to the terms and conditions of this Grant Agreement, be deposited into the Phase II Escrow in time to permit the close thereof and shall

be disbursed therefrom at Close of the Phase II Escrow (a) to pay closing costs and expenses shown on the closing statement for the Phase II Escrow, and (b) to the Construction Lender for Phase II for deposit into a construction account from which disbursements shall be made periodically by the Construction Lender only to pay Phase II Project Costs in accordance with the Final Project Budget for Phase II.

6. PROGRAM INCOME

6.1 Defined. For the purposes of this Grant Agreement, "Program Income" shall mean all funds collected by CHW in repayment of the CHW Loan.

6.2 Use of Program Income. CHW shall use the Program Income to fund social and educational programming and activities for the benefit of the Project, its residents and the residents of the community of which the Project is a part (the "Paradise Creek-Related Programs and Activities"). Such programs and activities could include, without limitation:

(a) resident and/or community-based cleanup efforts in and around the Project, including, without limitation, in and around the Paradise Creek Parcel and/or Paradise Creek Education Park; provided, however, such efforts may not include routine and/or regular maintenance of such property;

(b) youth environmental education programming;

(c) job corps-type training programs;

(d) as matching funds for individual development accounts to assist people of modest means save for the purchase of a lifelong asset, such as a home; or to obtain education and/or job training; and education and coaching programs related to personal finance and credit management;

(e) to make first-time homebuyer down payment loans and related homebuyer education and coaching programs; and/or

(f) other activities as approved in advance by the Executive Director.

6.3 Submission of Annual Plan. Not later than thirty (30) days after first receipt by CHW of Program Income and every year thereafter for which CHW receives any Program Income, CHW shall submit to the Executive Director for approval (which approval shall not be unreasonably withheld) a plan and budget for the Paradise Creek-Related Programs and Activities that CHW proposes to fund and operate over the ensuing one (1)-year period (the "Annual Plan"). That notwithstanding, the Executive Director shall be under no obligation to allow use of the Program Income to fund programs and activities otherwise obligated to be provided by the Tenant under the Ground Lease for Phase II.

Additionally, if the Program Income received by CHW for any year or succession of years is insufficient to fund and operate any meaningful Paradise Creek-Related Programs and Activities for the ensuing year, CHW may, with the written consent of the Executive Director (which consent shall not be unreasonably withheld) accumulate funds until sufficient by holding such funds (unless de minimis) in an interest-bearing account, with such interest to become Program Income.

6.4 Implementation of Annual Plan. Promptly after approval of any Annual Plan, CHW shall implement that Annual Plan.

6.5 Acknowledgment of City. Any and all Paradise Creek-Related Programs and Activates printed and/or digital materials, including signage, shall acknowledge, in a manner reasonably satisfactory to the Executive Director, the contribution of the City of National City to the funding of the subject program and/or activity.

6.6 Enforcement of CHW Loan Note. In order to reasonably maximize Program Income, CHW shall reasonably enforce payment of the CHW Loan Note.

7. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 CHW's Formation, Qualification and Compliance. CHW (a) is validly existing and in good standing under the laws of the State of California, (b) has all requisite authority to conduct its business, and has all requisite authority to execute and perform its obligations under this Grant Agreement.

7.2 Litigation. CHW represents and warrants that there are no material actions, lawsuits or proceedings pending or, to the best of CHW's knowledge, threatened against or affecting CHW, the adverse outcome of which could have a material adverse effect on CHW's ability to perform its obligations under this Grant Agreement.

8. RETENTION OF RECORDS

CHW shall maintain all books, documents, papers, accounting records, and other evidence pertaining to this Grant Agreement and shall make such materials available at its office at all reasonable times during the term of this Grant Agreement and for three (3) years from the date of Close of Escrow for Phase II for inspection by Successor Agency and for furnishing of copies to Successor Agency, if requested.

9. INDEPENDENT CONTRACTOR

Both parties hereto in the performance of this Grant Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither CHW nor CHW's employees are employees of Successor Agency and are not entitled to any of the rights, benefits, or privileges of Successor Agency's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

10. CONTROL

Neither Successor Agency nor its officers, agents or employees shall have any control over the conduct of CHW or any of CHW's employees except as herein set forth, and CHW expressly agrees not to represent that CHW or CHW's agents, servants, or employees are in any manner agents, servants or employees of Successor Agency, it being understood that CHW, its agents, servants, and employees are as to Successor Agency wholly independent contractors and that CHW's obligations to Successor Agency are solely such as are prescribed by this Grant Agreement.

11. COMPLIANCE WITH APPLICABLE LAW

CHW, in the performance of this Grant Agreement, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances of the City of National City, whether now in force or subsequently enacted. CHW, and each of its subcontractors, shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Grant Agreement.

12. NON-DISCRIMINATION PROVISIONS

In the performance of this Agreement, CHW shall: (a) not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition; and (b) take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

13. INDEMNIFICATION AND HOLD HARMLESS

CHW agrees to defend, indemnify, and hold harmless Successor Agency and the City of National City, and their officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of CHW's negligent performance of this Grant Agreement.

14. INSURANCE

CHW, at its sole cost and expense, shall purchase and maintain, and shall require its contractors, if any, to purchase and maintain, until issuance of the Certificate of Completion for Phase II, the following insurance policies:

A. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Grant Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto").

B. Commercial general liability insurance, with minimum limits of \$2,000,000 per occurrence \$4,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Grant Agreement.

C. Workers' compensation insurance in an amount sufficient to meet statutory requirements covering all of CHW employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of Successor Agency. Said endorsement shall be provided prior to commencement of work under this Grant Agreement.

D. The aforesaid policies shall constitute primary insurance as to Successor Agency, its officers, employees, and volunteers, so that any other policies held by Successor Agency shall not contribute to any loss under said insurance. Said policies shall

provide for thirty (30) days prior written notice to Successor Agency of cancellation or material change.

E. Said policies, except for the professional liability and workers' compensation policies, shall name Successor Agency, the Community Development Commission-Housing Authority of the City of National City, and the City of National City, and their officers, agents and employees as additional insureds, and separate additional insured endorsements shall be provided.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, CHW shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Grant Agreement. In addition, the "retro" date must be on or before the date of this Grant Agreement.

G. Any aggregate insurance limits must apply solely to this Grant Agreement.

H. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by Successor Agency's Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

I. This Grant Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by Successor Agency's Risk Manager. If CHW does not keep all of such insurance policies in full force and effect at all times required under this Grant Agreement, Successor Agency may elect to treat the failure to maintain the requisite insurance as a breach of this Grant Agreement and, subject to the right to notice and cure set forth in Section [17.A], terminate this Grant Agreement as provided herein.

J. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by Successor Agency.

15. LEGAL FEES

If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Grant Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award.

16. MEDIATION/ARBITRATION

If a dispute arises out of or relates to this Grant Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") before resorting to arbitration. The costs of mediation shall be borne equally by the parties. Any controversy or claim arising out of, or relating to, this Grant Agreement, or breach thereof, which is not resolved by mediation shall be settled by arbitration in San Diego, California, in accordance with the Commercial Arbitration Rules of the AAA then existing. Any award rendered shall be final and conclusive upon the parties, and a judgment thereon may be entered in any court having jurisdiction over the subject matter of the controversy. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the costs of its own experts, evidence and attorneys' fees, except that the arbitrator may assess such expenses or any part thereof against a specified party as part of the arbitration award.

17. TERMINATION

A. This Grant Agreement may be terminated by Successor Agency for cause in the event of a material breach of this Grant Agreement and failure by CHW to cure such breach within thirty (30) days after the giving of notice by Successor Agency. If, however, by its nature the failure cannot reasonably be cured within thirty (30) days, CHW may have such longer period of time as is reasonably necessary to cure the failure, provided, however, that CHW commence said cure within said thirty (30)-day period, and thereafter diligently prosecute said cure to completion within one hundred eighty (180) days.

B. Termination with cause shall be effected by delivery of written Notice of Termination to CHW as provided for herein.

18. NOTICES

All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To the Successor Agency: Successor Agency to the Community Development
Commission as the National City Redevelopment Agency
1243 National City Blvd.
National City, California 91950
Attn: Executive Director

To CHW: Community Housing Works
4305 University Ave, Suite 550

San Diego, California 92105
Attn: Anne B. Wilson, Sr. VP of Housing & Real Estate
Development

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

19. MISCELLANEOUS PROVISIONS

A. Computation of Time Periods. If any date or time period provided for in this Grant Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. Counterparts. This Grant Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. Captions. Any captions to, or headings of, the sections or subsections of this Grant Agreement are solely for the convenience of the parties hereto, are not a part of this Grant Agreement, and shall not be used for the interpretation or determination of the validity of this Grant Agreement or any provision hereof

D. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Grant Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. Amendment to this Grant Agreement. The terms of this Grant Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. Waiver. The waiver or failure to enforce any provision of this Grant Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. Applicable Law. This Grant Agreement shall be governed by and construed in accordance with the laws of the State of California.

i. Entire Agreement. This Grant Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent

or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. Successors and Assigns. This Grant Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. Construction. The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Grant Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Grant Agreement, (iv) each party and such party's counsel and advisors have reviewed this Grant Agreement, (v) each party has agreed to enter into this Grant Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Grant Agreement, or any portions hereof, or any amendments hereto.

(signatures on following page)

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement on the date and year first above written.

COMMUNITY HOUSINGWORKS, a California
nonprofit, public benefit corporation

By: _____

Its: _____

Successor Agency to the Community Development
Commission as the National City Redevelopment
Agency

By: _____
Ron Morrison, Chairman

APPROVED AS TO FORM:

Christensen & Spath LLP,
Successor Agency Special Counsel

By: _____
Walter F. Spath III, Esq., Partner

RESOLUTION NO. 2015 – 09

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE
NATIONAL CITY REDEVELOPMENT AGENCY APPROVING A GRANT AGREEMENT AND
ESCROW INSTRUCTIONS BY AND BETWEEN THE SUCCESSOR AGENCY
AND COMMUNITY HOUSINGWORKS, PROVIDING A GRANT OF \$14,909,000
TO ASSIST DEVELOPMENT OF PHASE II OF AN INFILL
AFFORDABLE HOUSING PROJECT, PUBLIC FACILITIES, OPEN SPACES
AND COMMUNITY SERVICES ON 12.75 ACRES FORMERLY KNOWN AS
THE NATIONAL CITY PUBLIC WORKS CENTER AND ILLES FAMILY TRUST SITE

WHEREAS, Community HousingWorks ("CHW") is a California nonprofit public benefit corporation whose purposes include development and operation of such affordable housing in, among other areas, the County of San Diego; and

WHEREAS, the now dissolved Community Development Commission of the City of National City ("CDC") and Paradise Creek Housing Partners, L.P., a California limited partnership (the "Phase I Developer"), entered into that certain "Disposition and Development Agreement," dated as of June 21, 2011 (the "DDA"), maintained as a public record by the City Clerk ("Clerk") of the City of National City ("City"); and

WHEREAS, the Redevelopment Agency of the City of National City ("Agency") was established by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City formed the CDC and the Housing Authority of the City of National City ("Housing Authority") by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the CDC was established to enable both the Agency and the Housing Authority to operate under a single board and single entity, responsible for the administration of redevelopment activities within the City of National City; and

WHEREAS, On February 1, 2012, the State of California dissolved all California redevelopment agencies, and established successor agencies to the former redevelopment agencies vested with all authority, rights, powers, duties and obligations of the dissolved redevelopment agencies pursuant to California Health and Safety Code Section 34173, said obligations including the payment, and performance and enforcement of enforceable obligations of the dissolved redevelopment agencies; and

WHEREAS, the City elected to serve as the successor agency to the CDC upon the dissolution of the Agency, pursuant to Resolution No. 2012-15 on January 10, 2012, and in that capacity exists and functions as a distinct and separate legal entity named "Successor Agency to the Community Development Commission as the National City Redevelopment Agency" ("Successor Agency"); and

WHEREAS, pursuant to the DDA and as more particularly provided therein, the Phase I Developer had the duty to construct, in two (2) Phases, an infill affordable housing project ("Project") on the 12.75 acres known as the former National City Public Works Center and Illes Family Trust site ("Site"); and

WHEREAS, the Project shall include, without limitation, a total of two hundred one (201) affordable rental housing units, certain community facilities for the use of the residents of both Phase I and Phase II, and certain offsite improvements including, without limitation, (a) improvement of the Paradise Creek Parcel, and (b) improvement and expansion, for the benefit of the entire community, of Paradise Creek Educational Park; and

WHEREAS, the obligations of Phase I Developer with respect to the development of Phase II of the Project have been assigned to Paradise Creek II Housing Partners, L.P., a California limited partnership ("Developer"), and

WHEREAS, Successor Agency holds, within its Capital Improvements Fund, the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000.00) to be used to finance development of affordable housing projects such as the Project (the "Funds"); and

WHEREAS, the Funds are proceeds of the issuance of those certain "\$39,660,000 Community Development Commission of the City of National City (San Diego County, California) (National City Redevelopment Project) 2011 Tax Allocation Bonds" ("Bonds"); and

WHEREAS, in accord with its statutory function and operation, the Successor Agency desires also to foster the development of private nonprofit, community-based, service organizations with the capacity to develop and/or finance affordable housing projects in National City such as the Project; and

WHEREAS, the Successor Agency, on the terms and conditions set forth in that certain "Grant Agreement and Escrow Instructions" approved by the Successor Agency on August 4, 2015 and maintained by the Clerk as a public record ("Grant Agreement"), granted the sum of Fourteen Million Nine Hundred Nine Thousand Dollars (\$14,909,000.00) to CHW for the dual purpose of permitting CHW to provide part of the financing for Phase II of the Project and building CHW's capacity to participate in the development of future affordable housing projects in the community; and

WHEREAS, pursuant to the Grant Agreement, CHW will loan all Funds to the Developer ("CHW Loan"), and be obligated to use all money tendered by Developer in repayment of the CHW Loan ("Program Income") to fund social and educational programming and activities that will benefit the Project, its residents, and the residents of the community in which the Project is located ("Programming and Activities"); and

WHEREAS, pursuant to the Grant Agreement, all Programming and Activities funded by CHW from Program Income shall be approved annually by the Executive Director, said Programming and Activities to include without limitation:

1. Resident and community-based clean-up efforts within the Project;
2. Youth environmental education programming;

3. Jobs-corps type training;
4. To create a matching fund for Project residents saving for home ownership; and
5. To create a first time homebuyer program for Project residents.

WHEREAS, the Grant Agreement must also be approved by the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Oversight Board") prior to being effective; and

WHEREAS, on August 5, 2015, in the course of taking action on an properly agendized item at a regular meeting, the Oversight Board considered the approval of the Grant Amendment, and upon *(i)* consideration of all information and documentation presented by staff, *(ii)* public comment and Oversight Board deliberation, if any, and *(iii)* the recommendation of the Successor Agency's staff, did independently find and determine that the Grant Agreement should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution, including the terms defined therein.

Section 2. The Oversight Board hereby approves the Grant Amendment, a true and correct copy of which is maintained by the City Clerk as a public record, whereby the Successor Agency and CHW agreed upon the terms and conditions under which the Successor Agency would *(i)* provide CHW with Funds derived from the issuance of Bonds, to wit, a grant of \$14,909,000.00, assisting in the development of the Project at the Site by permitting CHW to provide part of the financing for Phase II of the Project, and also *(ii)* require CHW to make the CHW Loan to Developer, and use Program Income to fund Programming and Activities.

Section 3. The Chairman of the Successor Agency, or his designee, is hereby authorized and directed to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board.

Section 4. The Oversight Board concurs with the Successor Agency's determination that *(i)* the certified Environmental Impact Report for the Westside Specific Plan ("EIR") analyzed a Transit Oriented Development for the Site, and that the Project's development will comply with the California Environmental Quality Act ("CEQA") and the guidelines adopted in relation thereto ("Guidelines"), and *(ii)* insofar as this Resolution and the approved Grant Agreement relate to the CHW Loan and the use of Program Income to fund Programming and Activities, this Resolution does not represent a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

Section 5. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

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Section 6. Pursuant to California Health and Safety Code Section 34179(h), the State of California Department of Finance may review Oversight Board action; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any request for review by the State of California Department of Finance.

PASSED and ADOPTED this 5th day of August, 2015.

AYES:
NOES:
ABSENT:
ABSTAIN:

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Oversight Board Counsel
Edward Z. Kotkin, Esq.
Law Offices of Edward Z. Kotkin